

MINUTES OF THE QUARTERLY MEETING
OF THE
PUBLIC BUILDING COMMISSION OF McLEAN COUNTY, ILLINOIS

Tuesday, January 3, 2023, at 3:30 p.m.

The Public Building Commission of McLean County, Illinois (the "Commission") was called to order by Chairman Novosad on January 3, 2023 in Room 404 of the Government Center, 115 East Washington Street, Bloomington, McLean County, Illinois.

Secretary Reid called the roll with the following members answering "present": Novosad, Zimmerman, Reid, Schultz, Harris, and Fazzini. Mr. Fruin, Mr. O'Grady, and Ms. Lee were absent.

Also present were Commission Attorney Robert Porter, Commission Treasurer James Mulligan, and Assistant County Administrator Tony Grant.

No members of the media, press, and/or radio were present.

Chairman Novosad began the meeting by presenting the Minutes of the October 4, 2022 Regular Quarterly Meeting of the Commission for approval. Chairman Novosad asked if there were any questions, additions, and/or revisions to the Minutes. Hearing none, Chairman Novosad asked for a Motion to approve the Regular Quarterly Meeting Minutes. It was moved by Mr. Schultz and seconded by Mr. Harris that the Minutes of the October 4, 2022 Regular Quarterly Meeting be approved as submitted. The Motion was unanimously passed by voice vote.

Chairman Novosad next presented the Minutes of the October 4, 2022 Annual Reorganization Meeting of the Commission for approval. Chairman Novosad asked if there were any questions, additions, and/or revisions to the Minutes. It was moved by Mr. Harris and seconded by Mr. Zimmerman that the Minutes of the October 4, 2022 Annual Reorganization Meeting be approved as submitted. The Motion was unanimously passed by voice vote.

Chairman Novosad further presented the Minutes of the November 10, 2022 Special Meeting of the Commission for approval. Chairman Novosad asked if there were any questions, additions, and/or revisions to the Minutes. It was moved by Mr. Fazzini and seconded by Mr. Schultz that the Minutes of the November 10, 2022 Special Meeting be approved as submitted. The Motion was unanimously passed by voice vote.

Chairman Novosad next called on Commission Treasurer James Mulligan to present the Treasurer's Report for the Fiscal Year. Mr. Mulligan began his Report by noting that, due to the timing of the meeting, the figures were current through November 30, 2022. Mr. Mulligan then relayed that the Treasurer's Report featured up-to-date interest earnings on the Commission's bank accounts as of November 30th.

In addition to the foregoing, Mr. Mulligan stated that the Commission had received both the County and City's entire 2022 lease payments by November 30th. Mr. Mulligan indicated that both the County and City had met all of their respective obligations under the First (1st), Second (2nd), and Third (3rd) Capital Improvement Agreements by November 30th.

Mr. Mulligan added that the Commission made interest and principal payments on its Series 2022 Public Building Revenue Bond Issue in the amount of three hundred seventy-seven thousand one hundred sixty-three dollars and 33/100 (\$377,163.33) on December 1, 2022. Mr. Mulligan similarly noted that the Commission made an interest and principal payment on its Series 2015 Public Building Revenue Bond Issue in the amount of two million six hundred fifty-four thousand four hundred dollars and 00/100 (\$2,654,400.00) on December 1, 2022.

Mr. Mulligan then noted that the Commission's disbursements were itemized on page sixteen (16) of the Treasurer's Report.

In reviewing the Treasurer's Report, Mr. Schultz noted the presence of a Heartland Bank & Trust Co. "investment fee" and asked about the same. In response, Mr. Mulligan indicated that the "investment fee" was the five hundred dollar and 00/100 (\$500.00) fee that Heartland Bank & Trust Co. charges for serving as paying agent on the Commission's Revenue Bond Issues.

Chairman Novosad then asked if the Commission had a sufficient amount of liquid funds in its Elevator Modernization Project Fund to meet upcoming Project expenses. Mr. Mulligan responded by indicating that the Commission did have a sufficient amount of liquid funds to meet Project expenses. Mr. Mulligan specifically indicated that the Commission currently had five hundred seventy-seven thousand dollars and 00/100 (\$577,000.00) in liquid funds. Mr. Mulligan noted that another two hundred thousand dollars and 00/100 (\$200,000.00) in investments with PMA Securities, LLC. had just matured with another three hundred thousand dollars and 00/100 (\$300,000.00) maturing each month through May.

Chairman Novosad then asked if there were any additional questions or comments for Mr. Mulligan on the Treasurer's Report. Hearing none, Chairman Novosad asked for a Motion to approve the Treasurer's Report. It was moved by Mr. Fazzini and seconded by Mr. Harris to approve the Treasurer's Report and proposed payments as submitted. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Turning to the Commission's "Old Business," Chairman Novosad asked Commission Attorney Robert Porter to address a potential re-investment of the Commission's U.S. Treasury Money Market Fund at Heartland Bank & Trust Co.

Mr. Porter reminded the Commission that it had approximately two million three hundred thousand dollars and 00/100 (\$2,300,000.00) invested in a Money Market Fund at Heartland Bank & Trust Co. Mr. Porter further reminded the Commission that these funds could be traced back to unused Bond Proceeds from the Series 2001 and 2004 Public Building Revenue Bond Issues. Mr. Porter indicated that the Money Market Fund exclusively contained U.S. Treasuries. Mr. Porter

recounted that the reason for this had to do with tax laws governing the issuance of municipal bonds. Namely, Mr. Porter stated that following three (3) years from the date of a Bond Issuance, the Commission could have no more than five-percent (5%) of the original issue amount pledged by a federal guarantee, i.e. FDIC insurance. Mr. Porter nevertheless indicated that there was an exception for investing in U.S. Treasuries.

Mr. Porter next noted that the foregoing regulations only lasted for the life of the Bonds. Mr. Porter then noted that the Series 2001 and 2004 Public Building Revenue Bond Issues had been paid in full by November 2021. Mr. Porter therefore noted that the Commission had the ability to invest its funds at Heartland Bank & Trust Co. in more than just U.S. Treasuries.

Mr. Porter next relayed that he and Treasurer Jim Mulligan had been discussing this matter with Trust Officers Marty Orris and Patrick Masso at Heartland Bank & Trust Co. Mr. Porter then indicated that Ms. Orris and Mr. Masso had put together an investment proposal containing a mix of U.S. Treasuries, corporate bonds, municipal bonds, and laddered bank C.D.s that was consistent with the Commission's investment policy as well as the *Illinois Public Funds Investment Act*.

In comparing the proposal put together by Ms. Orris and Mr. Masso with a Treasury-only approach, Mr. Porter noted that the yield from the new proposal was only marginally better.

Mr. Fazzini then cautioned against locking in rates when the overall rate environment is going up.

Mr. Mulligan noted that the liquid funds in the Money Market Fund were yielding 3.59%, which was significantly higher than the yield on the Commission's current investments with Heartland Bank & Trust Co. as well as the new proposal.

Chairman Novosad expressed appreciation for Mr. Mulligan and Mr. Porter looking to the Commission's investments with Heartland Bank & Trust Co.

The Commission thereafter expressed consensus that it would not adopt the new Heartland Bank & Trust Co. proposal at this time. Rather, the Commission felt it best to allow maturing Treasuries in its U.S. Treasury Money Market Fund to stay liquid until the Commission's next meeting on April 4, 2023. The Commission expressed consensus to re-visit the subject of re-investing its U.S. Treasury Money Market Fund on April 4th.

Chairman Novosad next turned to the Commission's "New Business" and asked Assistant County Administrator Tony Grant to discuss the Elevator Modernization Project.

Mr. Grant began his overview by passing out a GANNT Chart to the Commission. Mr. Grant then indicated that Otis Elevator Co. was having a materials issue with respect to the first (1st) two (2) elevators. Mr. Grant noted that this issue might push the Project schedule back by two (2) months. Mr. Grant next indicated that TEC had recently reviewed two (2) submittals from Otis Elevator Co. Mr. Grant anticipated receiving invoices from TEC by the end of the month. Mr.

Grant then stated that Otis Elevator Co. had recently submitted sidewalk freight elevator specs. Mr. Grant further noted that Otis Elevator Co. would be modernizing the elevator at the Old Courthouse in July. Mr. Grant indicated that Otis Elevator Co. would be designating a third (3rd) team to perform the work at the Old Courthouse. In addition, Mr. Grant indicated that the County had finalized a five (5)-year maintenance contract with Otis Elevator Co.

Mr. Fazzini inquired as to whether securing parts for the elevator at the Old Courthouse would cause Project delays. In response, Mr. Grant indicated that Otis Elevator Co. had built in a significant amount of time in its Project schedule to account for potential delays in obtaining parts.

Chairman Novosad then asked whether the elevator at the Old Courthouse had been repaired. Mr. Grant indicated that the elevator had been repaired prior to Thanksgiving.

Chairman Novosad then asked Mr. Grant to address the architect selection process for the Animal Control Shelter Project. Mr. Grant indicated that the County had received three (3) sets of qualifications from architects on December 21, 2022. Mr. Grant noted that those architects submitting qualifications were Scharnett Architects & Associates, the Farnsworth Group, Inc., and Muller & Muller, Ltd. Mr. Grant discussed the submissions at a high level and noted that the Farnsworth Group, Inc. had been involved in the design of the Highland Pet Hospital. Mr. Grant noted that the next step was to conduct interviews of the three (3) firms.

Mr. Fazzini suggested that the County reach out to the principals at the Highland Pet Hospital about their experience working with the Farnsworth Group, Inc.

Mr. Porter then noted that interviews would be conducted by a joint County-Commission team. Mr. Porter stated that Chairman Novosad and Mr. Reid would represent the Commission on the interview committee.

Mr. Grant added that the architect interviews would take place at the end of January.

Chairman Novosad then inquired whether there were any additional questions or comments for Mr. Grant regarding the Animal Control Shelter Project. Hearing none, Chairman Novosad asked Mr. Grant to provide the Commission with a status report on the operation and maintenance of Public Building Commission-owned facilities.

Mr. Grant began his status report by noting that the recent cold weather had caused some pipes to break. Mr. Grant specifically recalled that a pipe broke in the County Clerk's Office, which caused some flooding in the space. Mr. Grant stated that a three (3)-inch sprinkler pipe at the Law & Justice Center froze. Mr. Grant also indicated that a heater froze at 200 West Front Street.

Chairman Novosad asked Mr. Grant whether Scharnett Architects & Associates had completed its space study of the Government Center. In response, Mr. Grant stated that the space study was not yet complete. Mr. Grant specifically noted that Scharnett Architects & Associates still needed to interview staff before it could complete its work.

Chairman Novosad then asked Mr. Grant about the existence of any concerns with the new Jail. Mr. Grant noted that the only lingering issue was with the ongoing challenge of unifying controls between the old and new Jails.

Mr. Schultz asked Mr. Grant about the occupancy of the Jail. Mr. Grant responded by noting that the occupancy was high.

Chairman Novosad asked Mr. Grant whether the County was looking for a new controls contractor. Mr. Grant responded that the County was searching to retain a new controls contractor.

Chairman Novosad asked whether anyone had any additional questions or comments for Mr. Grant about the status of the Public Building Commission-owned facilities. Hearing none, Chairman Novosad asked Mr. Porter to discuss the 2023 Amendment to Amended and Restated Lease Agreement.

Mr. Porter reminded the Commission that it amended the Amended and Restated Lease Agreement with the County and City on October 6, 2015, which amendment had the effect of setting the County's annual lease payments to the Commission at ten million dollars and 00/100 (\$10,000,000.00). Mr. Porter further reminded the Commission that the Amended and Restated Lease Agreement with the County was again amended on January 4, 2022 to provide for the issuance of the Series 2022 Public Building Revenue Bond Issue.

Mr. Porter stated that the County Clerk accordingly has an ordinance on file that sets the County's levy at ten million dollars and 00/100 (\$10,000,000.00) for each year through 2038. Mr. Porter stated that the ten million dollar and 00/100 (\$10,000,000.00) figure was established to give the County a degree of flexibility in terms of setting its levy. Mr. Porter noted that the ten million dollar and 00/100 (\$10,000,000.00) figure is higher than actual debt service and operation and maintenance costs in a given year. Mr. Porter noted that, as a result, the County, City, and Commission are called on to amend the Amended and Restated Lease Agreement each year to ensure that the lease amount equals the amount the Commission actually needs to meet debt service costs, operation and maintenance costs, and its own administrative costs. Mr. Porter stated that this figure was derived by totaling debt service payments on the Series 2015 Public Building Revenue Bond Issue, debt service payments on the Series 2022 Public Building Revenue Bond Issue, operation and maintenance costs for the Old Courthouse, Law & Justice Center, Government Center, Juvenile Detention Center, Animal Control Shelter, the Fairview Building, and the Commission's own administrative expenses. Mr. Porter indicated that the County's 2023 lease payment to the Commission would be eight million eight hundred twenty thousand four hundred seventy-five dollars and 00/100 (\$8,820,475.00). Mr. Porter indicated that the City's 2023 lease payment to the Commission would be one million seventy-seven thousand nine hundred thirty dollars and 00/100 (\$1,077,930.00). Mr. Porter noted that this figure encompassed operation and maintenance figures for the Government Center.

Mr. Fazzini indicated that he wished to discuss the 2023 Amendment with City Manager Tim Gleason before voting on the same.

Chairman Novosad asked whether there were any additional questions or comments concerning the 2023 Amendment to the Amended and Restated Lease Agreement. Hearing none, Chairman Novosad asked for a Motion to approve the 2023 Amendment to the Amended and Restated Lease Agreement. It was moved by Mr. Reid and seconded by Mr. Zimmerman to approve the 2023 Amendment to the Amended and Restated Lease Agreement. Upon a roll call vote, Mr. Fazzini abstained. All other Commissioners voted in favor of the Motion.

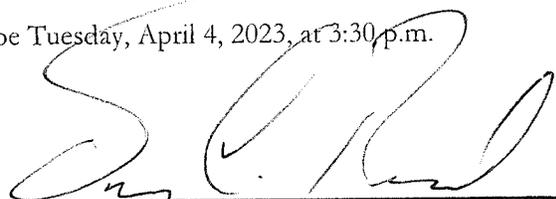
Chairman Novosad next asked Mr. Porter to discuss the 2023 Amendment to the Contract for Operation and Maintenance. In response, Mr. Porter noted that the Amendment set the Commission's 2023 operation and maintenance payment to the County at five million seven hundred twenty-three thousand four hundred seventy dollars and 00/100 (\$5,723,470.00).

Chairman Novosad asked whether there were any questions for Mr. Porter concerning the 2023 Amendment to the Contract for Operation and Maintenance. Hearing none, Chairman Novosad asked for a Motion to approve the 2023 Amendment to the Contract for Operation and Maintenance. It was moved by Mr. Harris and seconded by Mr. Schultz to approve the 2023 Amendment to the Contract for Operation and Maintenance. Upon a roll call vote, all Commissioners voted in favor of the Motion.

There being no "Other Business," Chairman Novosad asked for a Motion to adjourn. It was moved by Mr. Harris and seconded by Mr. Zimmerman that the meeting be adjourned. The Motion was unanimously approved by voice vote. The Meeting was adjourned at 4:28 p.m.

The next meeting of the Commission will be Tuesday, April 4, 2023, at 3:30 p.m.

April 4, 2023


Terry L. Reid,
Secretary, Public Building Commission

